

TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE: 22 MARCH 2016 – COMMUNITY CENTRE LEASES AND AUDIT OUTCOMES

The following is an extract from the Draft Minutes of the Overview and Scrutiny Committee meeting held on 22 March 2016.

108. COMMUNITY CENTRE LEASES AND AUDIT OUTCOMES

Prior to the item being discussed Councillor Bill Davidson declared an interest as he was the Chair of Coombes Community Association and a Trustee of the Management Committee. He advised that he would leave the room and take no part in any debate or vote.

Prior to the item being discussed Councillor Jean Green declared an interest as she was a member of the Management Committee for Coombes Community Centre. She advised that she would leave the room and take no part in any debate or vote.

Prior to the item being discussed Councillor Ben Lewis declared an interest as he was a member of the Management Committee for Coombes Community Centre. He advised that he would leave the room and take no part in any debate or vote.

Prior to the item being discussed Councillor Clare Billing declared an interest as she was a member of the Management Committee for West mill Community Centre. She advised that she would leave the room and take no part in any debate or vote.

Prior to the item being discussed Councillor Frank Radcliffe declared an interest as he was a member of the Management Committee for West mill Community Centre. He advised that he would leave the room and take no part in any debate or vote.

The Head of Policy and Community Services presented the report entitled Community Centre Leases and Audit Outcomes.

She advised that the original option for a possible Part 2 report was no longer required as all the information required to enable a decision to be made had been able to be included in the Part 1 report.

A Shared Internal Audit Service Audit had recently been completed looking at the actions taken by Officers so far in negotiating leases with Community Centres. Two recommendations were made as a result of this audit as follows:

Recommendation 1: "an updated report be taken to Cabinet to obtain a formal decision on how the Council should progress and complete community centre lease negotiations, in order to conclude this process and set the expectations for future lease negotiations for other NHDC owned community assets. This should include an update of the current position, including work undertaken to date and also tenancy options to be considered".

Recommendation 2: " It is recommended that the wider issue of members acting in additional outside roles be reviewed by the Council and further guidance be produced to limit the impact of potential conflicts";

This report, due to be considered by Cabinet on 30 March 2014, was in response to Recommendation 1 above and that it was felt that negotiations had reached an impasse in a number of areas.

Paragraph 7.1 of the report outlined the purpose of the Community Halls Strategy and the negotiations with each of the Community Centres took into account the requirements of this Strategy.

Paragraph 8.2.7 of the report detailed that initial terms proposed by the District council to open negotiations and the current operational plans for each Community Centre were attached as appendices.

The Head of Policy and Community Services advised that throughout the negotiations, where appropriate, the support of a third party had been offered such as the Community Development Agency or North Hertfordshire CVS, in part to look at sustainability. The CDA in particular work with a number of groups operating rural halls and have had some considerable success with community groups.

One of the areas identified by Community Associations as a barrier to progressing negotiations was that of securing adequate and independent legal advice.

There are differences between the Centres in terms of their condition and this had formed part of the discussion regarding the period over which a tenant would take on a full repairing lease. One of the main issues of concern was around the use of the centres for elections, the Council has put a clause into the lease giving the Council the right to use buildings it owns for the day of an election but there had been a significant degree of resistance to this.

Paragraph 9.1 indicated the amount required to be invested over an initial 5 year period to sustain the building serviceability and Paragraph 9.6 detailed the current rebuild valuations, although it should be noted these did not represent the market values of the Centres.

Various options were outlined at Paragraphs 10.1 to 10.4 of the report.

Members asked why Community Centres were reluctant to allow the Council free use for elections

The Head of Policy and Community Services advised that the community groups had cited the potential impact of cancelling bookings and loss of income.

Members considered the various options many considered that Option 1 was the most desirable outcome, but acknowledged that it was an unlikely scenario.

They acknowledged the difficulty of negotiations between a big organisation such as NHDC and the community groups, which were often made up of volunteers with limited access to legal and financial advice and suggested that some empathy was needed for the community groups.

Members were concerned that the Council not look at the best deal for the Council in purely monetary terms, but that social and community value benefits should have a higher importance and value within the negotiations. It was also noted that in rural areas Parish Councils had no option but to maintain and repair village halls whilst Community Centres in Towns received financial support from the District Council, demonstrating a clear urban rural divide.

The Head of Policy and Community Services informed Members that the Council did provide a degree of legal advice and the CDA offered advice around the operation of the buildings.

In respect of the urban rural divide she advised that there would be a capital funding scheme available.

She informed Members that, although there was nothing formal regarding social or community value, these issues were considered by looking at the numbers of people and number of groups using the centre.

Members felt that there should be a set of guiding principles to follow when considering lease negotiations including:

1. Social and community value to be considered;
2. An awareness that agreeing to solutions such as Option 1 could result in the Council being liable for repair costs ad infinitum;
3. The implications of expecting a community group to fund considerable repair bills
4. Be mindful of parity between areas;
5. If the Policy set by the Council can't be made to work, then consideration should be given to changing the Policy.

They agreed that Community Centres should be in a good state of repair before requiring tenants to take on full repairing leases and therefore an amended version of Option 10.2 should be recommended to Cabinet.

RECOMMENDED TO CABINET:

- (1) That Cabinet agree a resolution which enables investment in necessary works to Community Centres to take place to ensure facilities are in a reasonable standard of repair for lease negotiations to progress;
- (2) That officers be requested to progress lease negotiations in accordance with the agreed policy where possible, but that in the event of failure to do so, Cabinet consider changing the agreed policy;
- (3) That, throughout lease discussions, Cabinet should advise officers to pay due consideration to the guiding principles suggested by the Overview and Scrutiny Committee to ensure that the social and community benefits afforded by community centres are evaluated alongside any benefit derived from securing a full repairing or alternative lease arrangement; and
- (4) That subject to Cabinet agreement of recommendations (1) to (3) above, implementation should not be to the detriment of achieving the deadline of September 2016.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider the Community Centre Leases and Audit Outcomes prior to consideration by Cabinet.

[NOTE: The report to which this referral relates is Item 18 on this agenda.]

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